

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

**Poverty Alleviation and Women Empowerment Programme – Establishment of
Andhra Pradesh MahilaSadhikaraSamstha(APMSS) – Orders-Issued.**

FINANCE (FR-RM) DEPARTMENT

G.O.MS.No. 18

Dated 03-03-2015

Read the following:

1. G.O. Ms. No. 20, Planning (VII) Department, dated 27.09.2014

ORDER:

The Government of Andhra Pradesh hadpioneered sustainable measures for comprehensive poverty elimination with the launch of Programme for Elimination of Rural Poverty (Velugu) in 1996 and establishment of the Society for Elimination of Rural Poverty (SERP) in 1997. With the support of SERP and assistance from the World Bank, women in rural areas were organised into self-help groups (SHGs; popularly known as DWACRA groups) that soon reached a significant scale encompassing nearly 90 per cent of poor households in the state These initiatives have created the grassroots institutions and the systems required for accelerated poverty alleviation, improved livelihood supportfor the rural poor, and facilitated the translation of social capital into economic empowerment through access to credit, knowledge, skills, value-addition, etc.

2. Currently, poverty alleviation and socio-economic empowerment inputs are being provided through 6,52,44 self-help groupscomprising of 69,31,113 women living in the rural areas, which are federated into 26,753 Village Organizations (VOs), 656 Mandal Samakhyas, and 13 Zilla Samakhyas. These community organisationstogether have accessed a cumulative credit of Rs. 43,596.60 croresfrom the banks over the years; marketed commodities to the tune of Rs. 558.17 crores resulting in a benefit of Rs. 75 to Rs. 100 per quintal to the farmers; taken up pesticide free cultivation in 22.93 lakh acres, resulting in a saving of Rs. 3,000 to Rs. 15,000 per acre, etc. In a major policy initiative, the Government has entrusted the responsibility for sand mining in the State to the SHGs, with substantial assured revenue flow to the groups.

3. Based on the success of Velugu programme in the rural areas, the Mission for Elimination of Poverty in Municipal Areas (MEPMA) was established in 2007, as a successor agency to the DFID assisted Andhra Pradesh Urban Services Project (APUSP) that was implemented in the urban areas of the State between 2001 and 2007, with an objective of eliminating poverty in the municipal areas and creating slum-free

municipalities. Thus far, the MEPMA has facilitated organisation of 1.82 lakh self-help groups comprising of 19 lakh women that have aggregated into 6,046 slum-level federations (SLFs) and 129 town-level federations (TLFs), which together have accumulated a corpus of Rs. 600 crores through savings that enabled them to access Rs. 8,400 crores from the Banks as revolving credit.

4. Notwithstanding these achievements that contributed to significant empowerment of women, facilitated inclusive economic growth, and impacted positively on poverty reduction, Andhra Pradesh has lagged behind other southern states like Tamil Nadu and Kerala in health related Millennium Development Goals (MDGs). The residuary Andhra Pradesh ranked eleventh (11) in terms of per capita income but has a much lower ranking, fifteenth (15) for the Human Development Index (HDI). Over 30 percent of women between 15 and 49 years of age have a Body Mass Index (BMI) below normal, and 63 percent were anaemic, while 38 percent of children under three years age were stunted, 15 percent wasted, and 30 percent were under-weight. Indicators are far worse for people belonging to the Scheduled Castes (SC), Schedule Tribes (ST) and the other poorest households.

5. Furthermore, based on disaggregated data for the state of Andhra Pradesh, the Infant Mortality Rate (IMR) at 39 per 1,000 live births and Maternal Mortality Rate (MMR) at 132 per 100,000 live births were much higher than the other southern states. The access to sanitation service is also low compared to southern states, as 52 percent of the rural households in Andhra Pradesh defecate in the open, while only 5 percent households in Kerala defecate in the open. Similarly, in education the state lags behind the neighbouring States: its literacy rate (68 percent) is lower than Tamil Nadu (80.3 percent) and Kerala (93.2 percent). Furthermore, despite the continuous increase in enrolment and school completion rates, the dropout ratio for SC and ST boys and girls (73 percent) was much higher than the state averages (46 percent). The state also had relatively poor learning outcomes (reading and arithmetic abilities) for children attending government schools. The economic growth has not translated to improved human development outcomes, especially for the most marginalized households.

6. The poverty elimination efforts in the State during the past decade have been fragmented and are poorly integrated by virtue of being located across several departments and agencies, which contributed to poor human development outcomes. Further, the poverty elimination efforts have not harnessed the myriad opportunities existing at the bottom of the pyramid and failed to leverage the benefits economic growth momentum and adopt, adapt and apply the available knowledge and technological innovations for accelerated poverty reduction. Moreover, the micro-groups and micro-credit movement has not graduated to managing micro-enterprises and accessing the expanding opportunities.

The Rationale for an Empowered Institution

7. In this background, the Government of Andhra Pradesh in the G.O. read above has launched Mission-based approach to accelerate the growth momentum across the development spectrum, while focusing on poverty alleviation and inclusive growth. In this direction, the government has launched seven missions, viz., Primary Sector, Social Empowerment, Industry Sector, Infrastructure, Urban Development, Service Sector and Knowledge and Skill Development. These missions are designed to enhance inter-departmental synergy, engender effective planning, implementing and monitoring mechanism and enhance the overall development impact on the citizens.

8. All missions, especially the Social Empowerment Mission (SEM) seeks to address the serious gaps in human development indicators that have plagued the State by ensuring effective and efficient quality education, healthcare and nutrition services for all citizens, with specific focus on women and children. The current policy context and the strategic priorities of the Government set the stage for establishment of an integrated and empowered institution for accelerated poverty elimination by harnessing the achievements, incorporating the best practices from across the globe and by avoiding the mistakes and addressing the shortcomings.

9. Further, to fully harness the opportunities created by the vibrant grassroots institutions in both rural and urban areas of the State and to enable the poor households to access economic opportunities through value chain development and improved market opportunities in agriculture and allied sectors. The Government seeks to make substantial investments in strengthening the education, health, nutrition, and other human development services, by integrating demand, supply and enterprise aspects for the last mile delivery of these services to achieve higher human development outcomes.

10. Considering that poverty is complex and multi-dimensional, requiring multi-sectoral thrust through an integrated institutional platform; the greater synergy between different departments, missions, credit institutions, knowledge, skill, and technology networks and markets; and the scope for experience, expertise, and resource sharing between urban and rural poverty elimination efforts, the Government seeks to establish a robust, integrated and empowered institution that will absorb lessons from global and national best practices to develop, adapt and refine innovative approaches for empowerment, human development and social protection of rural and urban poor as well as those disadvantaged by virtue of being physically and mentally challenged, the elderly, etc.

MahilaSadhikaraSamstha

11. In this background, the Government, after careful and thorough consideration of all possible options, has decided to establish an integrated institutional mechanism for all programmes, schemes and activities intended for poverty elimination in both rural and urban areas, encompassing social mobilisation, community institutions development, capacity enhancement, access to and management of credit, skill, knowledge and technology transfer, value-addition and linkage with markets, access to improved health, nutrition and education services and related empowerment activities.

12. Accordingly, the Government hereby order for the registration of a corporate entity under the name and style of Andhra Pradesh MahilaSadhikaraSamstha (APMSS) under section 8 of the Companies Act 2013, with headquarters at Vijayawada. The Andhra Pradesh MahilaSadhikaraSamstha will be responsible for poverty alleviation and empowerment of all poor households living in both rural and urban areas. The Government orders that the MahilaSadhikaraSamstha should be a wholly owned enterprise of the Government of Andhra Pradesh and be registered with an authorized capital of Rs. 1 crore, consisting of 10 lakh shares of Rs.10 each. The corporation would be capitalised by the Government per the needs of the entity and its activities in due course.

13. The Andhra Pradesh MahilaSadhikaraSamstha will be anchored in the Department of Rural Development, which will be reconfigured as the Department for Empowerment and Poverty Elimination. The APMSS would be an integrated institutional mechanism for all Government programmes, schemes and activities intended for poverty elimination and empowerment, encompassing socio-economic development, capacity enhancement, access to credit, skills, enterprise, markets, and allied empowerment activities. The Samstha would be the integrated institution for delivery of all services, technologies, skills, capacities, capital, etc., for all poverty alleviation efforts hitherto provided by different departments, corporations, societies, co-operatives, etc.

Organisational Objectives

14. The Government orders that the AP MahilaSadhikaraSamstha should be a wholly owned enterprise of the Government of Andhra Pradesh and be registered with an authorized capital of Rs. 1 crore, consisting of 10 lakh shares of Rs.10 each. The corporation would be capitalised by the Government per the needs of the entity and its activities.

15. The principal objectives of MahilaSadhikaraSamstha will include the following:

- a) To create an integrated and empowered institution that would be responsible for planning, execution and monitoring of all welfare, development, capacity enhancement, technical support, technology, skill, and knowledge transfer and allied inputs essential for the overall objective of social and economic empowerment, sustainable development and alleviation of poverty in the rural and urban areas of Andhra Pradesh State.
- b) To support, assist, guide, promote and empower the self-help groups (SHGs) and their aggregated institutions, including but not limited to Village Organisations, Mandal and Zilla Samakhyas, Slum-level and Town Level Federations, etc., by providing the necessary financial, technical, technological, marketing, capacity enhancement inputs as may be required for the all round empowerment and development of poor households in the rural and urban areas of Andhra Pradesh State.
- c) To assist, advise, and provide inputs to the Government for formulation of effective policies for poverty elimination and empowerment for accelerated development of the State.
- d) To act as knowledge management and innovation hub that would document best practices of poverty elimination and empowerment from across the State, Country and world and proactively disseminate knowledge, skills, technology and engender innovation for sustainable economic, social and human development.
- e) To mobilise and organise rural and urban poor for promotion of new generation institutions in the State, viz., Producer organizations, Social Enterprise Institutions, Human Development initiatives, etc.
- f) To act as the coordinating agency between the Government departments and government organisations, local governments - including Panchayats, Mandal Praja Parishad, Zilla Parishad, Municipalities, Corporations, etc. - banks/ financial institutions, research institutions, private sector, markets etc., on one side and the urban and rural poor and disempowered and their federated institutions on the other for effective and sustainable empowerment and development of Andhra Pradesh State.
- g) To receive funds from the governmental and other agencies, as grant, subsidy, cess, levy, other receipts or by whatever name called for achieving the above

objectives and to raise resources from any source duly adhering to the prudential norms defined by the Government.

16. These objectives would be further enlarged and detailed in the Memorandum and Articles of Association of the Andhra Pradesh MahilaSadhikaraSamstha along with various ancillary and incidental objectives and the operating clauses of the Articles of Association with respect to shares, management, borrowing powers and other administrative provisions.

Governance Structure

17. It is hereby ordered that the Andhra Pradesh MahilaSadhikaraSamstha would receive strategic direction and policy guidance from the Governing Council chaired by the Hon'ble Chief Minister and comprising of concerned Ministers, national and international experts on rural and urban poverty alleviation, social and economic development and women's empowerment. The Management structure of the APMSS will be elaborated after the registration of the company duly obtaining the approval of the Government.

18. The Government hereby authorises the Chief Executive Officer of the Society for Elimination of Poverty (SERP) to take immediate measures to register the Andhra Pradesh MahilaSadhikaraSamstha under Section-8 of the Companies Act with the Special Chief Secretary, Department of Rural Development, Principal Secretary, Department of Municipal Administration, Principal Secretary, Finance (R&E) Department, Principal Secretary, Department of Women Development and Child Welfare, and Chief Executive Officers of the Society for Elimination of Rural Poverty (SERP) and the Mission for Elimination of Poverty in Municipal Areas (MEPMA) as members.

19. The Government hereby order for the establishment of a Group of Ministers (GOM) under the Chairmanship of the Finance Minister, with Ministers for Rural Development, Urban Development, Women Development and Child Welfare Development, Medical and Health, Education, Social Welfare and Tribal Welfare, and Backward Castes Welfare as members, to work out detailed modalities for the organisational structure, staffing, functional dynamics, standard operating procedures, institutional relationship with other departments, agencies and organisations, especially SERP and MEPMA, Commissionerate of Rural Development, etc., and all other issues that would ensure that APMSS becomes the premier institution for poverty elimination and empowerment in the State of Andhra Pradesh. The GOM will also consider and make appropriate recommendations for reconfiguration of the Rural Development Department as the Department for Poverty Alleviation and Empowerment. The Principal Finance Secretary (R&E) would be the Convenor of the GOM.

Financing theSadhikaraSamstha

20. The Government hereby accords permission to the AP MahilaSadhikaraSamstha to receive funds from the Central Government, State Government, Public Sector Enterprises (PSEs), Charitable Institutions, multilateral and bilateral international development institutions, etc. Permission is also accorded to the Samstha to receive funds earmarked for Corporate Social Responsibility (CSR) and mobilise resources from and / or other financial instruments from Banks / financial institutions and any other source approved by the government for the purpose of women's empowerment. The Rural Development Department will work in close coordination with the Finance and Urban Development Departments to identify reliable financing options for the longer-term viability, financial sustainability and functional autonomy of APMSS. This would be in addition to the revenue stream being channelled from the mining and sale of sand. It is hereby ordered that APMSS would be the executing agency for the World Bank assisted Andhra Pradesh Rural Inclusive Growth Project (APRIGP).

21. In order to provide the initial capital required for operationalizing the APMahilaSadhikaraSamstha, permission is hereby accorded for release of an amount of Rupees One Crore (Rs 1.0 Crore)as authorised capital upon its registration. Further, the APMSS is authorised to charge a service fee of up to one per cent (1%) of the value of transactions performed by the Samstha on behalf of the Government to cover its administrative costs, while ensuring performance-linked management costs. The Finance Department will issue necessary instructions in this regard.

22. The Chief Executive Officer (CEO) of the Society for Elimination of Rural Poverty (SERP) is hereby designated as the Nodal Officer to coordinate, facilitate and implement the orders issued herein. He is hereby ordered to initiate immediate measures for the registration, establishment, and ensure that the MahilaSadhikaraSamstha starts its effective operations with immediate effect. The CEO of SERP is authorised to incur the expenditure necessary for the registration and establishment of APMSS from the funds available with the Society.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

DR PV RAMESH IAS
PRINCIPAL SECRETARY TO GOVERNMENT(R&E)

To

The Special Chief Secretary, Department of Rural Development
Principal Secretary, Department of Municipal Administration and Urban Development
Principal Secretary, Finance (R&E) Department
Chief Executive Officer, Society for Elimination of Rural Poverty
Chief Executive Officer, Mission of Elimination of Poverty in Municipal Areas

Copy:

The Chief Secretary to Government
All Special Chief Secretaries / Principal Secretaries / Secretaries to Government
All Heads of Departments of Government of Andhra Pradesh
Managing Directors and CEOs of all Schedule IX and Schedule X Institutions
All District Collectors
Convenor SLBC, Andhra Bank, Hyderabad
Joint Director of Companies, Vijayawada
Private Secretary / OSD to all Hon'ble Ministers of Andhra Pradesh Government
Private Secretary to the Hon'ble Chief Minister of Andhra Pradesh
Principal Secretary to the Hon'ble Chief Minister
The Special Chief Secretary to the Governor, Andhra Pradesh, Hyderabad

//FORWARDED BY:: ORDER//

Section Officer